

**JBC STAFF FISCAL ANALYSIS  
HOUSE APPROPRIATIONS COMMITTEE**

CONCERNING THE CREATION OF AN ESSENTIAL SERVICES FOR YOUTH SPECIAL DISTRICT IN EACH JUDICIAL DISTRICT IN THE STATE.

Prime Sponsors: Representative Bird

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Phone: 303-866-4549  
Date Prepared: May 4, 2022

**Appropriation Items of Note**

**Appropriation Required, Amendment in Packet**

**General Fund Impact**

**Fiscal Impact of Bill as Amended to Date**

The most recent Legislative Council Staff Revised Fiscal Note (attached) reflects the fiscal impact of the bill as of 04/11/22.

<b>XXX</b>	<b>No Change:</b> Attached LCS Fiscal Note accurately reflects the fiscal impact of the bill
	<b>Update:</b> Fiscal impact has changed due to <i>new information or technical issues</i>
	<b>Update:</b> Fiscal impact has changed due to <i>amendment adopted</i> after LCS Fiscal Note was prepared
	<b>Non-Concurrence:</b> JBC Staff and Legislative Council Staff disagree about the fiscal impact of the bill

**Amendments in This Packet for Consideration by Appropriations Committee**

<b>Amendment</b>	<b>Description</b>
J.001	Staff-prepared appropriation amendment
L.10/L.014	Bill sponsor amendment - changes fiscal impact and appropriation

**Current Appropriations Clause in Bill**

The bill requires but does not contain an appropriation clause.

**Description of Amendments in This Packet**

**J.001** Staff has prepared amendment **J.001** (attached) to add a provision appropriating a total of \$390,446 General Fund to the Department of Revenue for FY 2022-23 and reappropriating \$2,178 of that amount to the Governor's Office of Information Technology.

**L.010 and L.014**

Bill sponsor amendment **L.010** makes adjustments to the bill, including the timing of any collection of voter-approved levy of sales and use tax in a local district for Court Appointed Special Advocate Programs. Additionally, it allows the Department of Revenue to retain administrative and enforcement costs associated with the tax. Bill sponsor amendment **L.014** establishes a continuously appropriated cash fund, the Essential Services for Youth Special District Cash Fund, which is to cover the Department of Revenue's administrative and enforcement expenses associated with the tax. These amendments negate the General Fund appropriation for the administration of the bill and would instead utilize cash funds generated from the special districts. As the new cash fund would be continuously appropriated to the Department, the bill would no longer require an appropriation clause for FY 2022-23.

**If the Committee adopts L.010 it should also adopt L.014 and should not adopt J.001.**

**Points to Consider***General Fund Impact*

The Joint Budget Committee has proposed a budget package for FY 2022-23 based on the March 2022 Legislative Council Staff revenue forecast. The budget package includes two set-asides:

- \$40.0 million General Fund for bills that create ongoing obligations; and
- \$900.0 million General Fund for bills that create one-time obligations in FY 2022-23.

The \$40.0 million *appropriations* set-aside includes an additional \$6.0 million General Fund to provide a 15.0 percent General Fund reserve for those appropriations. The \$900.0 million *obligations* set-aside does not include an additional amount for a General Fund reserve and, assumes, but does not require, that obligations be addressed through statutory transfers rather than appropriations. Therefore *appropriations* from the \$900.0 million set-aside require an additional 15.0 percent to maintain the statutory General Fund reserve.

This bill creates a one-time obligation and requires a General Fund appropriation of \$390,446 for FY 2022-23, reducing the \$900.0 million set aside by \$449,013 in order to maintain a 15.0 percent statutory General Fund reserve.

If the Committee adopts **L.010** and **L.014**:

*Legislative Appropriation Authority*

Continuous spending authority, also known as **continuous appropriations**, allows departments to spend money for statutorily specified purposes up to the amount of money in the fund without seeking annual legislative approval. An annual appropriation provides a limit on spending authority, while a continuous appropriation provides unlimited spending authority.

This method of funding moves these expenditures off-budget, and thus expenditures are not reported

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## **JBC Staff Analysis**

or accounted for through the budget process. Is it necessary for the Department of Revenue **not** seek annual authority from the General Assembly to spend money from The Essential Services for Youth Special District Cash Fund.